

Excellence through Ethics™

Session 4

The Ethics of Exports



Middle School



Junior Achievement®



Excellence through Ethics
Middle Grades
Session 4

The Ethics of Exports

Content: Ethics, Import, Export, and Demand

Methods: Role-Playing

JA Foundational Pillars: Ethics and Financial Literacy

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Acknowledgements

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The Ethics of Exports

Overview

Taking on the roles of business leaders, stockholders, employees, residents of importing countries, and corporate ethics officers, students will discuss and weigh the ethics of export options.

Objectives

Students will be able to:

- Explore reasons why businesses export goods.
- Learn that there can be ethical dimension to exporting goods to other countries.
- Develop a standard for an ethical export policy.

Preparation

Review the activity. Prepare the necessary copies and session materials.

Group work is incorporated into this session. You may consult with the teacher to determine how best to form the groups.

Post Key Terms and definitions in a visible place.

- **Ethics:** The standards that help determine what is good, right, and proper.

Recommended Time

This session typically takes 45 minutes to complete. Ask the teacher to help you keep track of time.

Materials

- Clothing Role-Playing Roles (1 per group)
- DDT Role-Playing Roles (1 per group)

Presentation

Introduction (10 minutes)

Greet the students. Tell them that they are going to examine the topic of imports and exports more closely during this class. (Imports are goods or services bought from other countries. Exports are goods or services sold to other countries.)

Write the term “import” and define it as goods or services bought from other countries. Write the term “export” on the board and define it as goods or services sold to other countries. Explain to students that people from various countries trade (exchange) the products they make. Ask students to name some products they might want, which come from other countries. **Possible answers** might be: electronics, toys, or chocolate. Explain that those are imports. Explain that this lesson will focus on goods made in one country (not necessarily the United States) that are sold to other countries, and that those are called exports. There are several reasons why a company might want to export goods.

Some companies export items to other countries because there is very high demand for them there. Others export items because there is no longer a demand at home. Demand can drop for a variety of reasons. The demand for some products drops when seasons change. That’s why coats and bathing suits

go on sale at different times of the year. They go on sale because the demand has dropped. If a company makes clothing that goes out of style, the demand will drop. If a company makes a product that is found to be unsafe, the demand will drop as well.

If a company can no longer sell its inventory in its own country, where else could it try to market it?

Answer: it could sell its goods to another country. If demand drops, should a company be allowed to export its goods to other countries? Does it matter why the demand dropped? Are there ethical issues to be addressed related to the exporting of goods?

Activity

Ethical Exporting Role-Playing (30 minutes)

Tell students they will discuss examples of exports in terms of ethical behavior. A student from each group will take one of the following roles:

- A person with an interest in exporting (i.e., a business leader, stockholder, or employee)
- A person in the importing, or receiving, country
- Corporate ethics officer

After each discussion, the class will vote on whether it is ethical to export a particular product.

Note: If students have not participated in role-playing exercises before, tell them that they must speak for the group they represent rather than for themselves. They will be given information about their group and its opinions on their role cards. It is important that all their information be shared with the class.

To have an ethical standard by which to judge an export, write the following ethical guideline on the board: Will the export of this product harm anyone?

Separate the class into five groups. Assign each group a role and distribute the role cards for the first export. Ask the teacher to join the corporate ethics officer group while you oversee the discussions. Give students a minute to read their role cards.

The first product for discussion is clothing that is no longer in style.

Call on the business leader group first and have a volunteer state why the group thinks they should export this clothing. In this first round, you may have to call on each group for its views, but as students get comfortable with the format, allow them to discuss the issues more naturally, provided that they wait for each person to finish speaking.

Remind students to refer to their role cards and use all the information provided.

After 8-10 minutes, stop the discussion and ask for a vote on whether exporting this product is ethical. Refer to the guideline on the board. Students should vote their own opinions, not those of their group.

The second product for discussion is DDT, a hazardous pesticide, which has been banned for use in some countries. The United States no longer makes DDT, but countries such as India, China, and Mexico manufacture and export DDT in response to the need for it in developing countries as a preventative measure against malaria and typhus.

Assign each group a different role than before, and then distribute the new role cards. The teacher can stay with the corporate ethics officer group.

Follow the directions for the first product.

Have students vote on the second product.

Summary and Review (5 minutes)

Briefly review the vocabulary introduced in the session.

Ask students if they would like to rephrase the ethical guideline for exports that is on the board.

Conclude the lesson by writing on the board the phrases “The Golden Rule,” and “Let the buyer beware” with its original, Latin wording, “caveat emptor.” The class may have already made the point that people in importing countries shouldn’t buy products that are harmful. However, it is important to remember the Golden Rule: to treat others as we would like to be treated. It is wrong and unethical to do harm to others.

Impress on students that they probably are buyers and could become sellers when they get older. In both of these roles, they are responsible for upholding the ethical standards of the marketplace. Point out that uneducated buyers can encourage and perpetuate unethical behavior on the part of sellers.

Session Outline

Introduction

- Greet the students.
- Tell them that during today’s session, they will learn ethical imports and exports.
- Ask introductory questions on the topic: “If demand drops, should a company be allowed to export its goods to other countries? Does it matter why the demand dropped? Are there ethical issues to be addressed related to the exporting of goods?”

Activity

- Students take the roles of business leaders, stockholders, employees, potential customers in importing countries, and corporate ethics officers to debate the ethics of exporting two products: clothing no longer in fashion and hazardous pesticides.
- To focus discussion, write on the board: Will the export of this product harm anyone? Are we treating others as we want to be treated, living by The Golden Rule?

Summary and Review

- Review the Key Terms for the session.
- Give students an opportunity to modify the ethical guideline on the board.
- Remind students that both buyers and sellers have a responsibility to maintain an ethical marketplace.
- Thank the students for their participation.

Clothing Role-Playing Roles



Business Leaders

We produced too much fashion clothing this year, thinking the new styles would remain popular. We had many orders, but later the stores canceled them. We won't make that mistake again, but now we have a large inventory of unsold products that cost us a lot of money to manufacture.

We've tried selling the clothing to stores at sale prices, but stores don't want to stock out-of-date items they don't think they can sell. Now we're getting desperate. If we don't sell the clothes, we won't be able to afford resources to produce our next fashion line. We could go out of business, and our employees might lose their jobs. If we sell the clothing overseas, we have to make the price very low so people can afford it, but it's better than nothing.



Stockholders

We are beginning to think this company is not managed well. If we don't see profits improve soon, we'll sell our stock. Perhaps people in other countries will be happy to have these clothes; maybe they don't care about fashion. They probably won't even know the clothes are considered out of fashion. We think the company should try to sell the clothing any place it can because we'll lose our money if it goes out of business. Of course, if the company pays to ship the goods, and they still don't sell, that will really ruin the business.



Employees

We work hard for this company, and we did a good job making the clothes. We don't make the fashion decisions, or decide how many items to produce, so we are at the mercy of the company. We don't want the company to go out of business because we would lose our jobs and have trouble supporting our families. Even though my family wouldn't want to buy out-of-fashion clothing, we know people in some other countries probably don't care. The company should try to sell the clothes overseas to keep our business going.



People in Importing Countries

We like movies and television because we get to see what people in other countries are wearing. For example, if we wore imported clothes, our friends would be impressed, but the older generation thinks we should stick to our traditional way of dressing. Our traditional clothing is certainly cheaper and easier to care for than imported clothing. We don't know if we should spend extra money for more exciting clothes.



Corporate Ethics Officers

Ask the following questions, as appropriate:

- If people in the importing countries buy the clothing, will anyone be harmed?
- Is anyone forced to buy the clothing?
- If people buy the imported clothing, what will happen to their countrymen who make traditional clothing?

DDT Role-Playing Roles



Business Leaders

DDT is among the most effective pesticides ever invented. By killing crop-eating insects, DDT enabled farmers to produce record amounts of food. Our company has been a leading producer of DDT for decades. DDT was used successfully for nearly 35 years before it was banned in the United States in 1972 when there was a loud public outcry against it because its continued, and, some say, excessive use posed unacceptable risks to the environment and potential harm to human health. A large share of company profits come from our pesticide division.

Even though we are not allowed to export DDT to the United States, it is still legal for us to make it, and many other countries are eager to buy it. DDT is not only a cheap and effective crop pesticide, but it has an unexpected benefit: in countries where malaria is widespread, it effectively and inexpensively kills and repels mosquitoes that spread this horrible disease. In South Africa, for example, people safely spray a small amount of DDT on the interior walls of their homes. This practice has had a significant impact on stopping the spread of malaria, a disease that is now almost unheard of in the United States, largely due to DDT. My product is illegal to export to the United States, but it has saved millions of lives— why shouldn't I export it to other countries? I'm not doing anything unethical; on the contrary, I'm doing a service to humanity.



Stockholders

This is a profitable chemical company, partly due to its sales of DDT. The profits keep rolling in, and stock prices keep climbing. We know that some of the chemicals are harmful to humans in the long run. When sprayed on crops, some of the deadly chemicals remain in the soil for many years. They also can build up in animals and people eating the crops or drinking water from streams containing chemicals. The company is not disobeying any laws by selling DDT in other countries; it just can't export it to the United States. We hope they develop new pesticides to take the place of DDT so the company's reputation will improve, and stock prices will go up higher and faster.



Employees

This is a good company to work for; we are paid well. We sometimes worry about the chemicals we work with when we're mixing pesticides because we have heard they are harmful. The company makes us wear masks and protective clothing so we won't get sick. We hope they continue to make and sell pesticides so we can keep working here. We don't think we could earn as much at any other plant in the area.



People in Importing Countries

We have a real problem growing enough food for our increasing population. Chemical pesticides are cheap for farmers to use on their crops, and they work. Less harmful pesticides are available, but they cost more. Many countries have banned the use of DDT because it builds up in the soil and in the bodies of humans and animals. We're aware of the controversy surrounding DDT, but we need to be able to purchase DDT to curb the spread of malaria. We've learned that by spraying a small amount in our homes, we can save lives because it kills malaria-carrying mosquitoes, and it's not harmful in small amounts. How can that be bad? The United States doesn't have to worry about malaria anymore, thanks to DDT. Why can't we get the same benefit from it?



Corporate Ethics Officers

Ask the following questions, as appropriate:

- Is DDT useful?
- Can it be harmful?
- Is anyone forced to buy DDT?
- If a government does not permit its farmers to use or export DDT because of safety concerns, should another government allow it?



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Welcome to Junior Achievement's *Excellence through Ethics*

As a Junior Achievement (JA) volunteer or teacher, you are joining other teachers and volunteers from across the United States in providing students with a unique educational experience. Junior Achievement's *Excellence through Ethics* offers students learning opportunities to share knowledge and information regarding ethics in business. JA strives to show students how business works, and to better evaluate organizations that conduct their operations in the right way.

Excellence through Ethics is designed to equip volunteers and teachers with supplemental, ethics-based activities for use with JA in-class programs for grades four through twelve. All these activities provide students with current and essential information about business ethics.

These activities are designed to reinforce students' knowledge and skills, teach them how to make ethical decisions, assist them in learning to think critically, and help them to be better problem-solvers. All the activities are hands-on, interactive, and group-focused to present the material to students with the best instructional methods.

Within these supplements, you will find sections to help you effectively implement the activities in your volunteer experience. Materials include: (a) an introductory discussion of business ethics, marketplace integrity, and the growing capacity of students for ethical decision-making; (b) activities and student materials that connect to and expand current classroom-based Junior Achievement programs; and (c) a functional glossary of terms relating to a wide spectrum of ethics, quality, service, and social responsibility considerations in business.

JA greatly appreciates your support of these important and exciting activities. If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org.aspx/LearnEthics/> and choose the “*Excellence through Ethics* Survey” link located in the middle of the page.

Appendix

Introduction and Overview

- *How do I do the right thing in this situation?*
- *Should I be completely honest, even if it puts others in jeopardy?*
- *What kind of community do we want to be?*
- *How do we do what's best for the long term?*
- *Who should cover the cost of "doing the right thing"?*

These are all questions having to do with business ethics. They are valid and necessary questions, and good business people have asked them for generations. They form the backdrop of vital discussions as business, community, and political leaders grapple with significant issues. Many students would ask these questions, even if Junior Achievement hadn't developed this ethics curriculum.

Business Ethics Discussions Are Here To Stay

Business ethics has been in the spotlight for much of the past decade, especially as examples of wrongdoing come to light in the media. New technologies and international competitive pressures cause a steady focus on the question, "Is it possible to be competitively successful in business today and still operate in an honest and ethical manner?" The past decade has seen individuals search for deeper personal meaning in the workplace, which has contributed to lively ethics discussions in the business realm. For these reasons, the discussion of business ethics is not a passing fad; it's here to stay.

Many graduate schools of business have either required ethics coursework or integrated ethics principles throughout all areas of study. That is commendable. We believe this vital area of exposure and instruction also should happen at earlier ages and continue throughout the students' educational journey. Many of today's students haven't had access to a well-rounded education in economics and free enterprise or have come to see these in a very negative light. They have limited awareness of the extent to which good business leaders engage in the challenging exercises of ethical decision-making amid heavy competitive pressures. As students learn the general principles of economics and business, it's critical that these be underpinned with a strong foundation in ethics. This will accentuate the best in American business traditions, while laying the groundwork for students' continued evolution into future generations of leaders.

Integrity in the Marketplace?

Many adults and young people choose to believe that the marketplace is driven only by greed. They view it as bringing out only the worst in human behavior, demoralizing the human spirit, and driving out any sense of idealism. While elements of greed and extreme self-interest among some individuals cannot be denied, solid research has shown time and again that companies with a long-term focus on ethics and a broad consideration of stakeholders' interests are much more profitable than those lacking such a focus.

James A. Autry, in his book *Love and Profit: The Art of Caring Leadership*, said it well: "I do not doubt the presence of greed in the marketplace because I do not doubt the presence of greed in people. But, I also do not doubt the ennobling aspects of work, of the workplace, of the community, of endeavor, of

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the marketplace. So I choose to believe that most of the marketplace is driven by people who want to do good work for others and for themselves.”

Excellence through Ethics accepts the challenge of educating youth in the basics of economics and business while establishing a positive balance on the side of well-informed, ethical business practice. This may appear to place a heavy burden on Junior Achievement volunteers, who are not trained ethics experts. The following informational pages will not turn you into an ethics expert. That’s not what we’re striving for here. What students need most is meaningful interaction with people who are willing to engage in a discussion of these vital issues.

Lively Practitioners Rather Than Dry Theorists

This program is more about day-to-day ethics practice than the nuances of ethics theory. Some believe that working in business requires a disconnect from one’s personal ethics. We do not believe this is the case. Students need to know that what they learn about fairness and honesty in general also applies to business. While business ethics may address some specific areas of business practice, it’s not a separate and distinct specialty to be set apart from the general ethical principles that apply in other areas of life. Young people need to encounter the wisdom of age and experience that volunteers bring to the classroom.

Students’ Growing Capacity for Ethical Decision-Making

Excellence through Ethics is designed to foster discussions at the appropriate level for each age group. The curriculum developers have designed the ethics activities with sensitivity to student’s mental maturity. At the late elementary and middle-grades levels, students’ capacities for ethical reasoning tend toward good personal behavior as determined by adult rules and authority. In relationships, personal trust, loyalty, and respect are of paramount importance. For these students, corporate ethical behavior is viewed in much the same light as their own personal behavior: it’s governed by rules.

As students advance into high school, their ethical decision-making moves into the larger arena of social contracts and systems that guide and govern societal and group behavior. Here the rationality and utility of laws are scrutinized, as students become more capable of higher-ordered, principled thinking. Students are increasingly aware of the diversity of values among different cultures and communities. At this level, students’ capacities for processing the complex, ethical dilemmas that may be encountered in business are greatly enhanced.

You will gain confidence as you come to realize that conducting a robust, provocative discussion with students is more important than “having the right answer.” The activities have been designed to leave room for lively discussion and multiple points of view. Having the courage to share your own experiences is very valuable to students.

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You don't have to apologize for the excesses students may see in business. Don't assume responsibility for actions that are not your own, and do not try to defend the indefensible. While accentuating the fact that most businesses operate ethically, it's okay to scrutinize the unethical players in the marketplace who give business in general a bad name.

Continuing Education

Teaching this material to students will no doubt strengthen and enhance your own ethics awareness and continuing education. Some students will challenge your best reasoning capacities. Having your own support network of professional colleagues with whom you can share and discuss some of these issues is very valuable. It's also helpful to seek out colleagues with philosophical views that differ from your own. This serves as a valuable "cross-pollination" function because you will be able to understand and discuss a variety of views with students, as well as share students' perspectives with your colleagues. In this way, everyone learns.

Finally, please be assured that your contributions here have tremendous value to students and will serve to upgrade business ethics in the future. We're dealing with the future generation of leaders in their formative years. We can take pride in the fact that we've had a hand in shaping the very people who will be responsible for business ethics and social responsibility in the future.

Appendix

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Many educators, economists, businesspeople, and consultants have contributed to the development of *Excellence through Ethics*. We would like to acknowledge the following individuals and groups for their efforts, creative talents, and support in creating these materials:

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Appendix

Excellence through Ethics Evaluation

Junior Achievement has discontinued all paper versions of program surveys. However, we greatly appreciate your comments and feedback about *Excellence through Ethics*. Please help us improve the quality of *Excellence through Ethics* by sharing your comments through our new online survey process. The online survey should take less than 10 minutes to complete.

If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org/aspx/LearnEthics/> and choose the *Excellence through Ethics* Survey link located in the middle of the page.

Thank you for participating in JA!



Excellence through Ethics Volunteer Survey

1. Including this session, how many individual sessions of Excellence through Ethics have you presented? _____

2. Do you feel that the students were engaged through this session?
 - A. Not at all
 - B. Somewhat engaged
 - C. Engaged
 - D. Very Engaged
 - E. Unsure

3. Do you feel the session was relevant to students?
 - A. Not relevant
 - B. Somewhat relevant
 - C. Relevant
 - D. Very relevant
 - E. Unsure

4. Do you feel students are more prepared to make ethical decisions after participating in this session?
 - A. Significantly more prepared
 - B. Somewhat more prepared
 - C. Somewhat less prepared
 - D. Significantly less prepared
 - E. Unsure

5. On a scale of 1 to 10 (10 being excellent), how would you rate the overall quality of the Excellence through Ethics session? _____

6. After this JA experience, how likely are you to volunteer for JA again?
 - A. More likely to volunteer
 - B. Less likely to volunteer
 - C. No more or less likely to volunteer
 - D. Unsure

7. What comments or suggestions do you have regarding the overall session (including format, content, etc.)?

Optional: City _____

State _____ Country _____

Email _____

Excellence through Ethics Student Survey

1. What grade are you in? _____

2. Please fill in the circle that best describes how you feel about the following statements.

There is no right or wrong answer.

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
This topic is very important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am able to apply what I learned in this session to the real world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The activities were interesting.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I learned something about ethics from this session.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Do you feel more prepared to make ethical decisions after participating in this session?

- A. Significantly more prepared
- B. Somewhat more prepared
- C. Somewhat less prepared
- D. Significantly less prepared
- E. Unsure

4. I saw someone at my job taking money from the cash register, I would:

- A. Ask someone I trust what I should
- B. Tell a supervisor
- C. Talk to the person taking the money
- D. Do nothing
- E. Not sure

5. To help us better understand who you are, please answer the following questions: How do you describe your ethnicity (family background)? (Fill in all that apply)

- A. African American
- B. Asian American
- C. Latino (a) or Chicano (a)
- D. European American (white)
- E. Native American
- F. Other – how do you identify yourself? _____

6. Do you have any additional comments regarding this session?

Optional: City _____ State _____ Country _____